

MINUTES
FISCAL 2009-2010 BUDGET HEARING
LANCASTER COUNTY BOARD OF COMMISSIONERS
TUESDAY, AUGUST 25, 2009
COMMISSIONERS HEARING ROOM, ROOM 112
FIRST FLOOR, COUNTY-CITY BUILDING
7:00 P.M.

Commissioners Present: Bernie Heier, Chair
Ray Stevens, Vice Chair
Deb Schorr
Larry Hudkins

Commissioners Absent: Bob Workman

Others Present: Dennis Meyer, Budget and Fiscal Officer
Cori Beattie, Deputy County Clerk
Angela Zocholl, County Clerk's Office

The location announcement of the Nebraska Open Meetings Act was given and the meeting was called to order at 7:00 p.m.

1) PUBLIC HEARING:

A. Keno Fund Projects

The Chair opened the public hearing.

Dennis Meyer, Budget and Fiscal Officer, was administered the oath.

Meyer reviewed the Keno Fund Budget. He said the majority of the money is set up for road projects: East Beltway, Arbor Road, and Alvo Road. The remaining balance is used for prevention grants, saline wetland, and the motocross project at the Abbott Sports Complex.

Schorr said the Prevention Fund Advisory Board met to allocate the prevention grants, noting there was \$49,000 available and \$165,000 in requests.

MOTION: Stevens moved and Hudkins seconded to close the public hearing. Hudkins, Stevens, Schorr and Heier voted aye. Motion carried 4-0.

B. Lancaster County's Proposed Budget for Fiscal Year 2009-2010

Bernie Heier, Chair of the Board, opened the hearing and gave a statement on the proposed budget.

- ❖ The total proposed Budget of Expenditures is approximately \$180,500,000, which is a 2.48% increase from the previous year.

- ❖ With the 0.77% decrease in valuation, the proposed tax rate would be \$0.2703 versus the previous year's rate of \$0.2683. Keeping the same tax rate as the previous year would result in a decrease of approximately \$382,000.
- ❖ The total budget of expenditures in the General Fund has increased by 2.17% over the previous year's budget. Some notable changes involve reimbursement of the adult correctional facility bond proceeds, a decreased election commission budget due to fewer elections, discontinuing payments for the architects and construction manager for the new adult detention facility, a switch to individual attorneys for the Juvenile Court system, and an increase in Corrections due to additional boarding contracts and officers.
- ❖ Property tax in the debt service fund will decrease by \$688,667.
- ❖ The Lancaster Manor budget of expenditures has been established. A transfer of \$1,400,000 from the General Fund and a reduction in staff will help balance the budget with the lower revenue estimates based on census numbers.
- ❖ Increased use of the Mental Health Center has increased costs, which will result in an increase of \$506,107 in property tax.

Coby Mach and Ron Ecklund, representing the Lincoln Independent Business Association (LIBA), were administered the oath.

Mach discussed and submitted documentation on LIBA's recommendations (Exhibit A).

- ❖ Proceed with the structured sale of Lancaster Manor.
- ❖ Scrutinize the level at which the County provides service.
- ❖ Reduce the Community Mental Health Center's budget by \$300,000.
- ❖ Seek payment for parking from employees.
- ❖ Cut back on the StarTran program.
- ❖ Work toward a hiring freeze, discontinuing funding of new positions and reclassifying positions mid-year.
- ❖ Adopt a benefits policy that requires 30 hours per week for employees to be eligible.
- ❖ Reduce the County's retirement plan.
- ❖ Discontinue funding mid-year budget requests unless deemed an emergency.
- ❖ Require each department to present a budget at 91% for tax-funded budgets and 95% for non-tax-funded budgets.

Hudkins clarified that the \$1,400,000 transfer to Lancaster Manor is still under control of the County Board and is not directly put into their budget.

Mark Vasina, Nebraskans for Peace, and Dr. Linda Ruchala, University of Nebraska, were administered the oath.

Vasina submitted a report on the Lancaster Manor 2010 budget (Exhibit B). He addressed the recommendations of the report.

- ❖ Adjust the budget to correct errors to budgeted expenditures.
- ❖ Develop responsible revenue projections using standard cost accounting methods and strategic budgeting.
- ❖ Fund budgeted expenditures for capital outlay with capital improvement bonds.

Long-term capital funding of the Manor was discussed.

Kyle Fischer, representing Lincoln Chamber of Commerce, was administered the oath.

Fischer thanked Stevens for his attendance at the Chamber's monthly meetings. He also thanked the Board for allowing him to be a part of the Budget Monitoring Committee. Fischer said a 2.17% budget increase is satisfactory, and he expressed his agreement with the LIBA recommendations.

The Chair asked if anyone else wished to testify.

Dennis Meyer, Budget and Fiscal Officer, was administered the oath.

Meyer listed possibilities for addressing the budget shortage.

- ❖ Look to larger department budgets for cuts, including Corrections and Community Mental Health Center.
- ❖ Reduce the contingency fund.
- ❖ Use \$300,000-400,000 from the \$3,200,000 being reimbursed from the jail to the general fund.
- ❖ Look at inheritance tax.
- ❖ Transfer money from the Keno Fund to the General Fund.

Stevens suggested implementing a hiring freeze, tracking the savings between now and mid-year, with the possibility of using inheritance tax or keno funds to cover any amount the hiring freeze does not save.

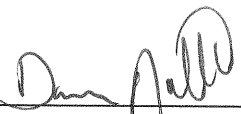
Schorr mentioned other larger department budgets that may be able to cut: Sheriff, County Attorney, and Public Defender.

Hudkins suggested not hiring the staff for the new jail as soon as planned.

MOTION: Hudkins moved and Stevens seconded to close the public hearing. Schorr, Hudkins, Stevens and Heier voted aye. Motion carried 4-0.

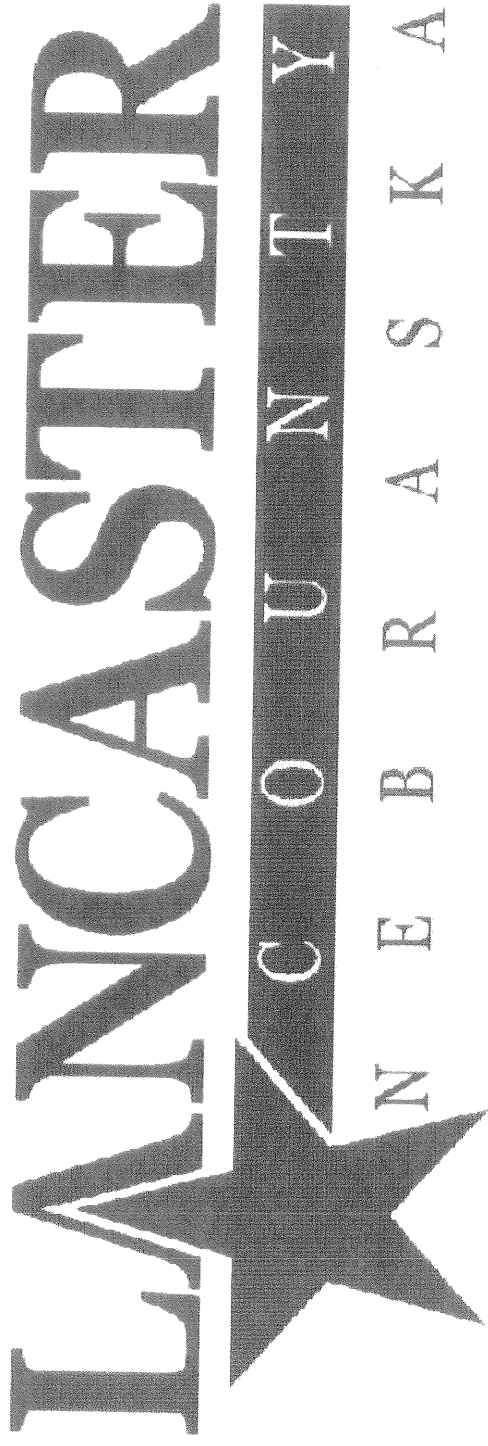
2) **ADJOURNMENT**

MOTION: Schorr moved and Stevens seconded to adjourn the meeting at 7:50 p.m. Schorr, Stevens, Hudkins, and Heier voted aye. Motion carried 4-0.



Dan Nolte
Lancaster County Clerk





PROPOSED BUDGET INFORMATION

FY2009-10

LANCASTER COUNTY, NEBRASKA

Budget Narrative for FY2009-10

The Lancaster County Board's budget request letter reminded County agencies the affect the nation's economy has had on Lancaster County and the projection of no increase with a possibility of a decrease in valuation. Additional personnel requests were submitted separately for the County Board's approval. Lancaster County does not receive any sales or income tax, and relies heavily on property tax to fund the budget.

The County Board appreciates the cooperation of the elected officials and appointed department heads in arriving at this year's budget. They also thank all county employees for their assistance in providing the necessary services within the budget restraints.

- **Budget of Expenditures:** The total proposed budget of expenditures is \$180,503,019 which is 2.48% more than the 2008-09 adopted budget.
- **Property Taxes:** The total amount of property taxes for the proposed budget is \$50,396,037 which is the same amount as the 2008-09 adopted budget.
- **Valuation:** The County's valuation is \$18,641,136,908 which reflects a .77% decrease. The proposed budget was completed with a projection of no increase in valuation.

The adoption of this budget results in a property tax rate of \$0.2703 per \$100 of valuation. Fiscal year 2008-09 had a property tax rate of \$0.2683 per \$100 of valuation. Discussion will be held about the decrease in valuation.
- **Fund Balances:** Fund Balances at July 1, 2009, were \$33,735,257 compared to \$31,330,571 at July 1, 2008. This results in an increase of \$2,404,686. The General Fund balance decreased by \$960,460 due to payments made to the architect for the new adult correctional facility. Receivables were booked for the first time in the Visitors Improvement Fund and the Visitors Promotion Fund which resulted in a total increase of \$420,000. The Keno Fund balance increased by \$691,708 because the

- road projects budgeted had minimal activity during the fiscal year. The Jail Savings Fund balance increased by \$797,907 because the second half property tax payments were received during the fiscal year. The \$623,367 increase in the Lancaster Manor balance was due to the \$1,000,619 deposit from the Renewal and Replacement Fund.

General Fund Budget – The total budget of expenditures increased by \$1,831,146 over the 2008-09 adopted budget which results in a 2.17% increase. Property tax will increase by \$182,560. The general fund will be reimbursed \$2,893,764 from the adult correctional facility bond proceeds for the payments made to the architects. The budget of interest income decreased by \$700,000.

- **Election Commission:** The decrease in this budget is attributable to the election cycle. Fiscal year 2008-09 had three elections while fiscal year 2009-10 will have one election.
- **General Government:** Bonds were issued for the new adult detention facility so the general fund was reduced by \$2.5 million because the general fund will no longer make payments for the Architects and Construction Manager. Expenditures have increased by \$1,402,123 due to the transfer established to the Lancaster Manor.
- **Juvenile Court:** The increase is due to Juvenile Court contracts and how the contracts will be used. The judges have made the determination to let the contracts expire at the end of their respective terms and have the court return to a system where individual attorneys are appointed to represent children and parents in juvenile court proceedings. The costs for contracts that expire during fiscal year 2009-10 have been moved to the Juvenile Court budget which resulted in a \$292,855 increase. The increase is offset by a decrease in the Justice Misc. budget.
- **Corrections:** Boarding contracts have increased by \$325,000 due to the need to utilize other counties to hold prisoners and additional correctional officers were hired.

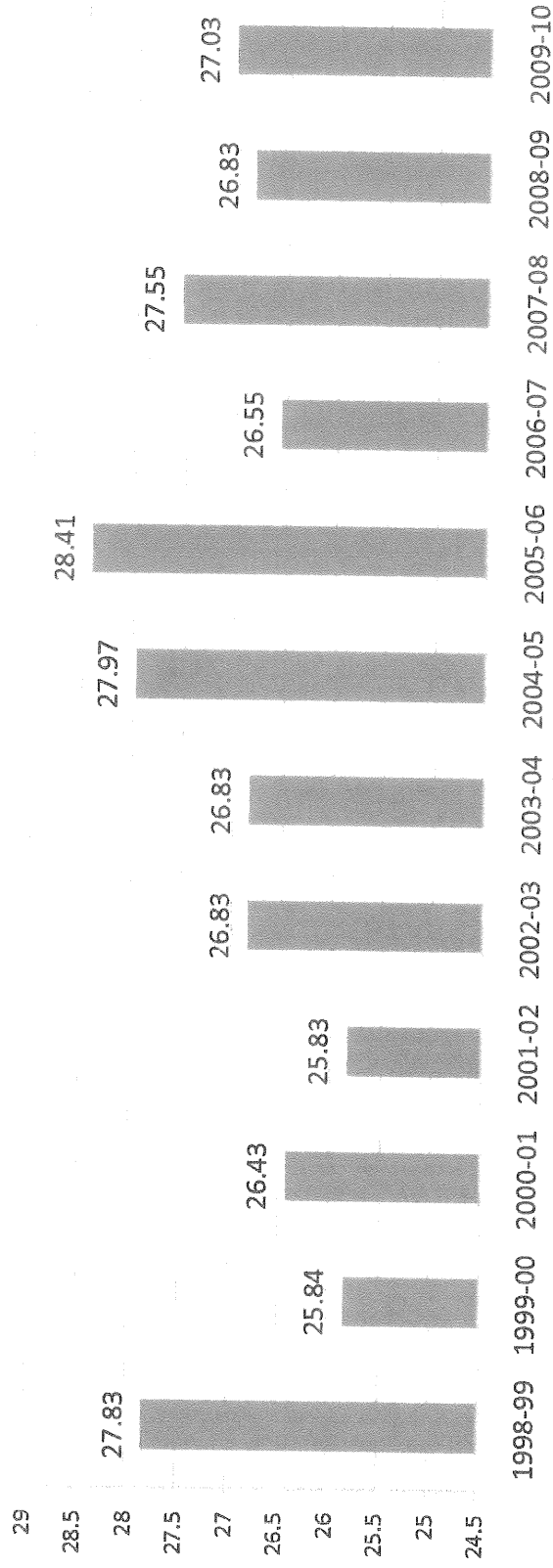
Specific Budgets

- **Bridge and Special Road Fund:** Expenditures have decreased by approximately \$265,000 because revenues from other sources (City of Lincoln, Railroad Transportation Safety District, and FEMA) have also decreased. Transfers from the general fund have increased by almost \$250,000 to cover increased cost.
- **Highway Fund:** Expenditures are at the same level as fiscal year 2008-09. Projections for highway allocation and FEMA reimbursements are lower than last fiscal year.
- **Keno Fund:** The increase is due to the fund balance. The fund balance was \$691,708 higher than last fiscal year. The majority of the expenditures are budgeted for road projects and actual expenditures in fiscal year 2008-09 were minimal which increased the balance.
- **Debt Service Fund:** One of the projects that was to be funded by the 2004 bond issuance was cancelled. After reviewing the fund balance along with the remaining bond proceeds, it was determined to reduce property taxes in the debt service fund. Property tax will decrease by \$688,667.
- **Lancaster Manor:** The Lancaster Manor budget of expenditures has been established to cover operating expenditures. The wish list of capital improvements, the renewal and replacement fund, the contingency fund and some department cuts were made to the budget of expenditures. A transfer of \$1,402,123 from the general fund and a reduction in staff will help balance the budget with the lower revenue estimates based on census numbers.
- **Mental Health Fund:** Expenditures exceeded revenues for fiscal year 2008-09 which resulted in a lower fund balance. Increased use of the Mental Health Center has increased costs which will result in an increase of \$506,107 in property tax.
- **Building Fund:** Property tax will remain the same for the building fund.

LANCASTER COUNTY

Tax Levies

Cents per \$100 of Valuation



ADOPTED BUDGET FY1998-99 THROUGH FY 2008-09

PROPOSED BUDGET FY2009-10

Lancaster County
2009-2010 CALCULATED LEVIES

	<u>FY09 Actual</u> <u>Valuation</u>	<u>FY10</u> <u>Calculation</u>	<u>Change</u> <u>Amount</u>	<u>Percent</u>
County Valuation	18,786,286,695	18,641,136,908	(145,149,787)	-0.77%
County Library Valuation	2,850,713,956	2,894,683,356	43,969,400	1.54%
General Fund	46,633,580	46,816,140	0.251144	
CMHC	2,345,903	2,852,010	0.015300	
Debt Service	1,212,554	523,887	0.002810	
Building Fund	204,000	204,000	0.001094	
Total Dollars/Levy	50,396,037	50,396,037	0.270349	
County Levy	50,396,037	50,396,037	0.270349	
County Library	584,901	593,339	0.020498	

**LANCASTER COUNTY
CHANGE IN VALUATION
LAST TEN YEARS**

<u>YEAR</u>	<u>VALUATION</u>	<u>CHANGE</u>	
		<u>AMOUNT</u>	<u>PERCENT</u>
2000-01	11,381,932,044		
2001-02	12,621,053,086	1,239,121,042	10.89%
2002-03	13,081,633,040	460,579,954	3.65%
2003-04	14,958,476,056	1,876,843,016	14.35%
2004-05	15,375,859,915	417,383,859	2.79%
2005-06	15,932,331,879	556,471,964	3.62%
2006-07	18,045,787,841	2,113,455,962	13.27%
2007-08	18,343,871,223	298,083,382	1.65%
2008-09	18,786,286,695	442,415,472	2.41%
2009-10	18,641,136,908	(145,149,787)	-0.77%

LANCASTER COUNTY

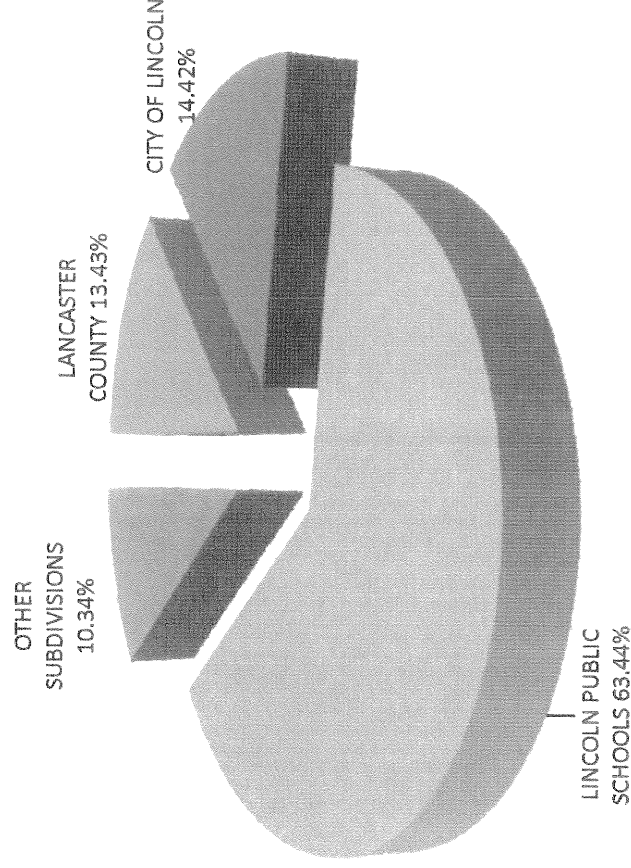
2008-2009 TAX LEVY INFORMATION

TOTAL TAX LEVY = \$2.029514 PER \$100 OF VALUATION
(CITY OF LINCOLN RESIDENT)

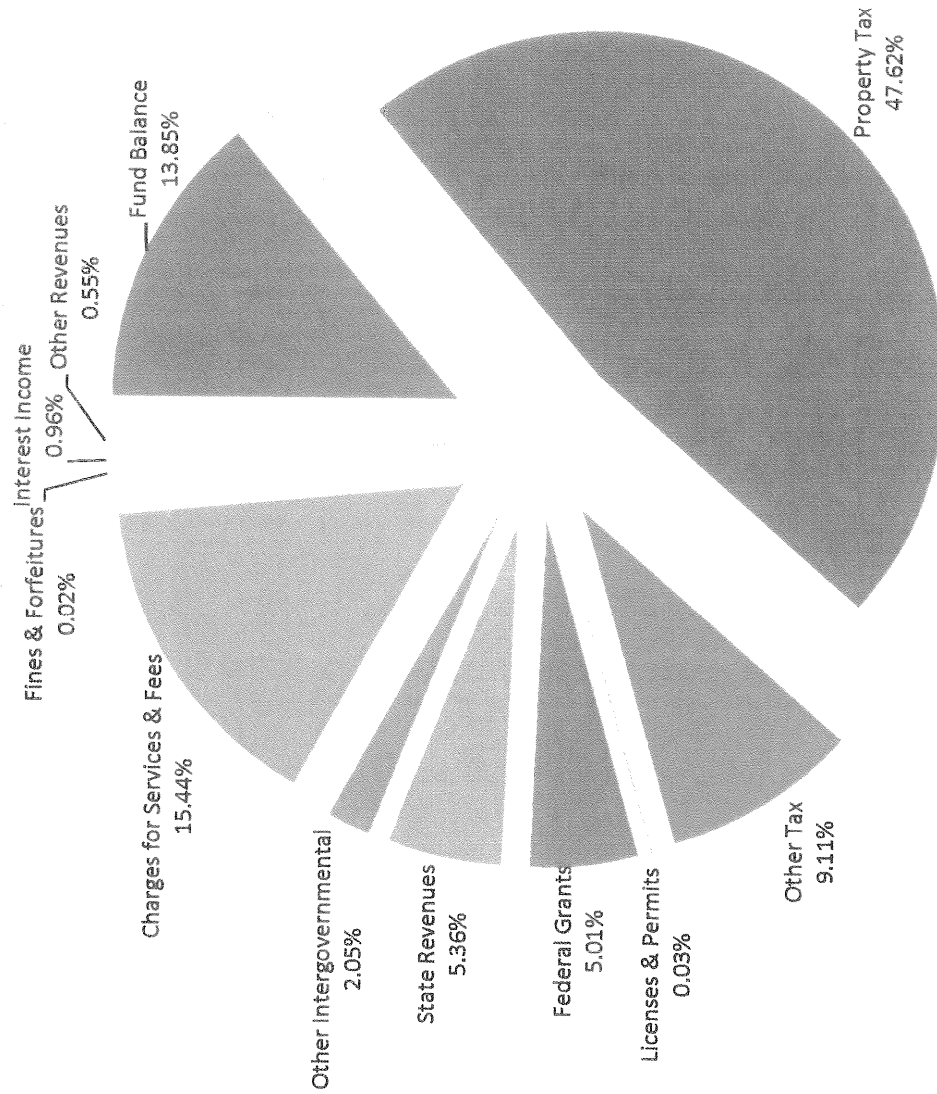
Levy	Subdivision	% of Levy
0.268260	LANCASTER COUNTY	13.43%
0.287880	CITY OF LINCOLN	14.42%
1.266810	LINCOLN PUBLIC SCHOOLS	63.44%
0.206564	OTHER SUBDIVISIONS	10.34%

2008-09 ALLOCATION

OTHER SUBDIVISIONS	
0.001488	Agricultural Society
0.003810	Lancaster Fairgrounds JPA
0.014925	E.S.U. #18
0.041042	Lower Platte South NRD
0.017000	Public Building Commission
0.026000	Railroad Transportation
	Safety District
0.072200	Southeast Community College
0.030099	Lancaster County Correctional Facility JPA



2009-10 PROJECTED REVENUES FOR LANCASTER COUNTY (PROPERTY TAX FUNDS ONLY)



Lancaster County
Schedule of Budgeted Disbursements
For the Year Ended June 30, 2010

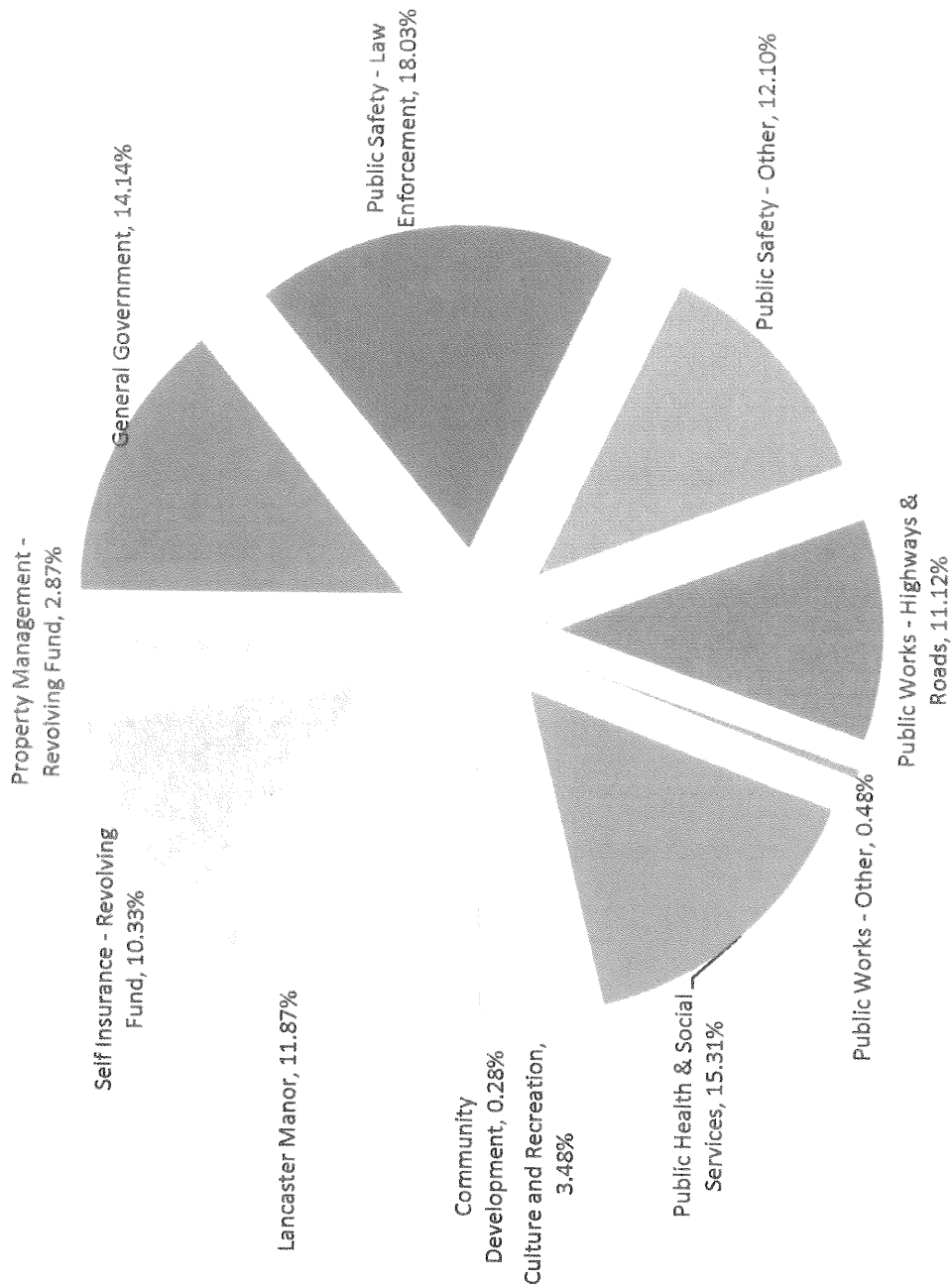
Functions/Programs	Operating *	Capital Outlay	Debt Service	Other **	Total Disbursements
Governmental:					
General Government	16,055,044	524,033	1,324,409	7,617,952	25,521,438
Public Safety - Law Enforcement	30,048,690	2,348,122	130,006	20,000	32,546,818
Public Safety - Other	21,566,528	253,820	16,263		21,836,611
Public Works - Highways & Roads	11,201,579	8,865,825			20,067,404
Public Works - Other	836,571	30,600			867,171
Public Health & Social Services	26,016,535	89,604	1,486,660	34,599	27,627,398
Culture and Recreation	6,281,619				6,281,619
Community Development	504,407				504,407
Miscellaneous					
Business-type Activities:					
Lancaster Manor	19,986,721	1,436,982			21,423,703
Self Insurance - Revolving Fund	18,646,417				18,646,417
Property Management - Revolving Fund	5,179,493	540			5,180,033
Total Disbursements & Transfers	156,323,604	13,549,526	2,957,338	7,672,551	180,503,019

* Operating should include Personal Services, Operating Expenses, Supplies and Materials, and Equipment Rental.

** Other should include Judgments, Transfers, and Transfers of Surplus Fees.

LANCASTER COUNTY

BUDGETED DISBURSEMENTS BY FUNCTION



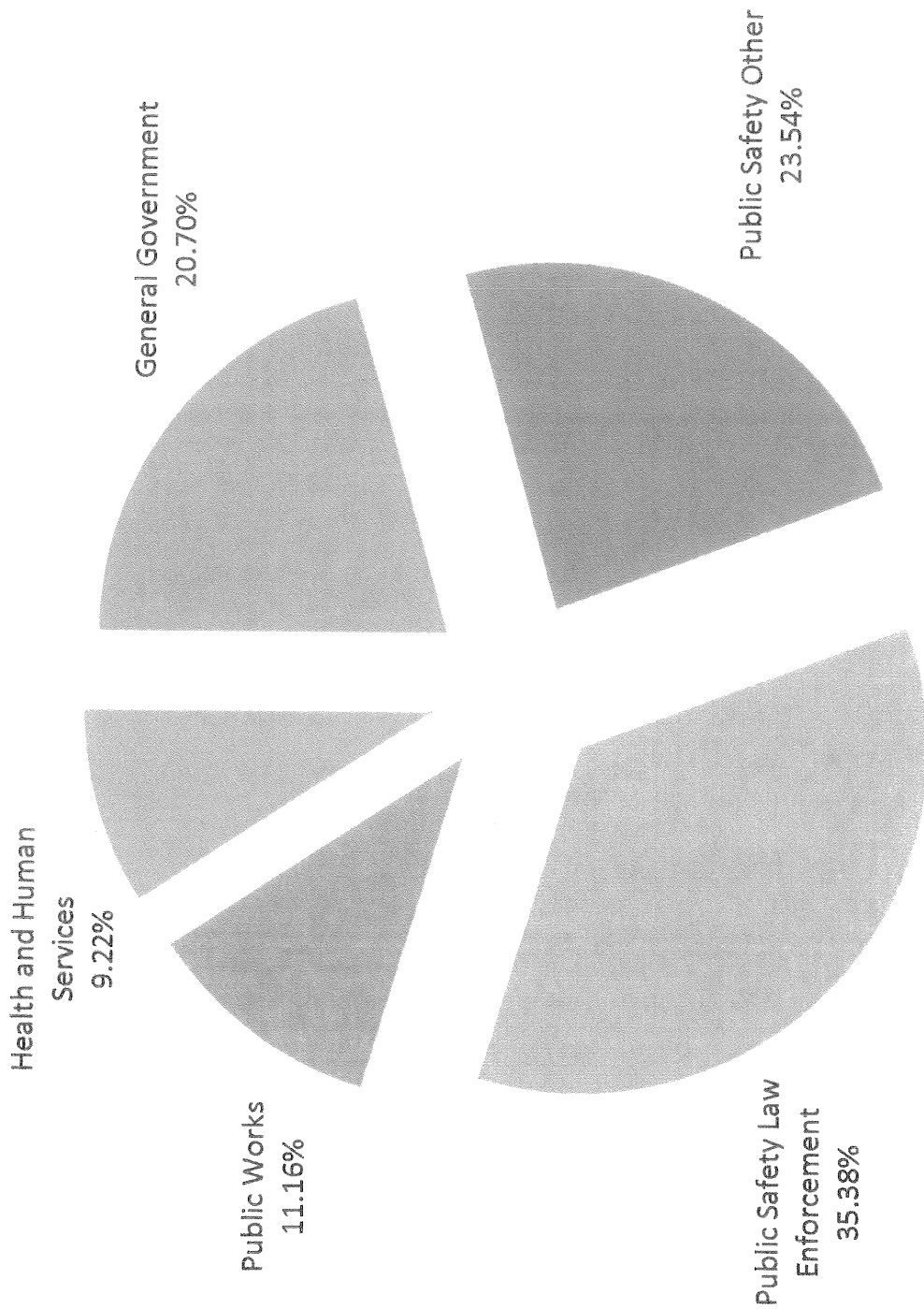
LANCASTER COUNTY SUMMARY OF EXPENDITURE REQUIREMENTS

FUND		ACTUAL		FY09 BUDGET		OBLIGATIONS		FY10 BUDGET	
		FY08	OBLIGATIONS	ADOPTED	MODIFIED	FY09	OBLIGATIONS	PROPOSED	ADOPTED
11	GENERAL	78,761,400		84,474,850	84,474,850	81,330,099		86,305,996	
12	WORKERS COMPENSATION LOSS	738,554		1,736,057	1,736,057	606,158		1,766,978	
13	OTHER SELF INSURANCE LOSS	274,880		718,633	718,633	282,469		524,063	
14	GROUP SELF INSURANCE	10,518,908		16,170,879	16,170,879	11,684,293		16,355,376	
18	VISITORS IMPROVEMENT	731,554		2,684,940	2,684,940	900,533		3,154,523	
19	VISITORS PROMOTION	2,356,763		1,143,243	1,143,243	941,018		1,572,341	
20	COUNTY RURAL LIBRARY	626,115		624,785	624,785	621,862		620,163	
21	BRIDGE & SPECIAL ROAD	6,973,484		8,695,712	8,695,712	7,181,482		8,430,651	
22	HIGHWAY	5,488,828		6,665,724	6,665,724	6,140,222		6,631,587	
26	VETERANS AID	10,000		10,000	10,000	5,000		10,000	
27	GRANTS	5,435,050		9,358,100	9,358,100	2,805,972		9,444,360	
28	KENO	789,967		2,070,566	2,070,566	83,145		2,762,274	
30	ECONOMIC DEVELOPMENT	54,153		346,752	346,752	48,469		504,407	
41	DEBT SERVICE	1,024,245		3,030,716	3,030,716	1,042,581		2,811,069	
51	BUILDING	417,964		244,381	244,381	72,951		375,097	
52	JAIL SAVINGS FUND	-		1,843,435	1,843,435	218		1,956,342	
61	LANCASTER MANOR	17,997,050		21,232,506	21,232,506	20,638,460		21,423,703	
63	MENTAL HEALTH	9,287,308		9,953,157	9,953,157	9,790,435		10,335,214	
64	WEED CONTROL	280,070		284,837	292,337	292,329		338,842	
65	COUNTY/CITY PROPERTY MGMT	2,818,409		3,016,150	3,016,150	2,850,966		3,074,103	
66	PROPERTY MANAGEMENT	1,236,047		1,285,002	1,355,002	1,351,215		1,446,584	
67	CITY BUILDING MAINTENANCE	220,165		543,047	543,047	283,607		659,346	
	Memorandum Total	146,040,913		176,133,472	176,210,972	148,953,483		180,503,019	

LANCASTER COUNTY
GENERAL FUND EXPENSE BUDGET SUMMARY

AGENCY	ACTUAL EXPENSE FY08	FY09 BUDGET		ACTUAL EXPENSE FY09	FY10 BUDGET	
		ADOPTED	MODIFIED		PROPOSED	ADOPTED
601 BOARD OF COMMISSIONERS	249,023	252,891	257,891	256,401	259,580	
602 COUNTY CLERK	826,335	862,277	886,047	883,212	882,528	
603 COUNTY TREASURER	2,967,472	3,096,650	3,111,650	3,111,632	3,234,300	
605 ASSESSOR/REGISTER OF DEEDS	3,461,143	3,739,808	3,776,060	3,711,104	3,879,823	
607 ELECTION COMMISSIONER	888,966	1,332,943	1,332,943	1,261,390	960,681	
610 INFORMATION SERVICES	683,653	706,549	816,549	789,982	778,337	
611 BUDGET & FISCAL	163,855	175,334	175,334	169,450	187,501	
612 GENERAL GOVERNMENT	8,204,347	12,341,101	11,587,970	10,293,156	11,672,261	
613 ADMINISTRATIVE SERVICES	363,671	380,093	380,093	314,955	359,752	
615 GEOGRAPHIC INFO SYSTEM	508,376	512,723	512,723	434,172	528,329	
621 CLERK OF DISTRICT COURT	1,515,989	1,551,049	1,551,049	1,545,536	1,626,691	
622 COUNTY COURT	745,796	785,296	864,796	794,538	884,424	
623 JUVENILE COURT	1,254,215	1,506,357	1,506,357	1,242,284	1,861,817	
624 DISTRICT COURT	2,040,812	2,089,547	2,139,547	2,066,078	2,183,613	
625 PUBLIC DEFENDER	3,062,029	3,133,302	3,176,972	3,172,603	3,277,564	
627 JURY COMMISSIONER	107,498	122,181	122,181	106,515	135,144	
628 JUSTICE SYSTEM MISCELLANEOUS	4,362,859	2,392,401	2,392,401	2,229,672	2,357,743	
645 EXTENSION SERVICE	963,852	1,041,589	1,041,589	987,315	1,073,132	
648 RECORDS & INFORMATION MGMT	522,907	513,832	523,832	518,499	529,263	
651 COUNTY SHERIFF	8,438,834	8,822,117	9,063,737	8,885,149	9,080,232	
652 COUNTY ATTORNEY	6,311,789	6,602,650	6,624,650	6,568,761	6,670,369	
671 CORRECTIONS	12,229,940	13,190,945	13,190,945	12,986,579	14,131,632	
673 JUVENILE PROBATION	272,650	294,092	294,092	276,082	303,662	
674 ADULT PROBATION	339,392	450,939	450,939	407,083	423,344	
675 INTENSIVE SUPERVISION	27,818	-	-	-	-	
676 COMMUNITY CORRECTIONS	1,181,480	1,375,402	1,420,402	1,377,439	1,428,711	
678 YOUTH SERVICES CENTER	5,629,212	5,740,507	5,740,507	5,508,626	5,893,114	
693 EMERGENCY MANAGEMENT	338,592	423,061	423,061	379,276	455,614	
703 COUNTY ENGINEER	2,944,066	2,977,809	3,025,955	3,018,054	3,152,721	
751 MENTAL HEALTH BOARD	115,005	131,566	131,566	126,973	133,548	
801 GENERAL ASSISTANCE	2,597,114	2,400,000	2,400,000	2,399,808	2,400,000	
803 VETERANS & GA ADMINISTRATION	660,176	698,598	713,014	707,428	736,608	
805 HEALTH & HUMAN SERVICES	4,563,432	4,592,710	4,592,710	4,553,310	4,569,261	
837 HUMAN SERVICES	212,685	238,531	247,288	247,036	254,697	
999 GENERAL RECEIPTS	6,417	-	-	-	-	
	<u>78,761,400</u>	<u>84,474,850</u>	<u>84,474,850</u>	<u>81,330,099</u>	<u>86,305,996</u>	

2009-10 PROPOSED GENERAL FUND



LANCASTER COUNTY
GENERAL FUND REVENUE BUDGET SUMMARY

AGENCY		ACTUAL REVENUE FY08	BUDGET FY09	ACTUAL REVENUE FY09	FY10 BUDGET	
					PROPOSED	ADOPTED
601	BOARD OF COMMISSIONERS	-	-	-	-	-
602	COUNTY CLERK	49,198	41,000	59,793	-	56,000
603	COUNTY TREASURER	7,407,957	6,600,000	6,065,965	5,900,000	5,900,000
605	ASSESSOR/REGISTER OF DEEDS	1,698,182	2,012,500	1,709,281	1,850,000	1,850,000
607	ELECTION COMMISSIONER	81,571	350,000	372,145	75,500	75,500
610	INFORMATION SERVICES	10,656	10,656	10,656	10,656	10,656
611	BUDGET & FISCAL	-	-	-	-	-
612	GENERAL GOVERNMENT	1,059	-	26,522	-	-
613	ADMINISTRATIVE SERVICES	20,097	20,549	22,697	22,270	22,270
615	GEOGRAPHIC INFO SYSTEM	197	-	455	-	-
621	CLERK OF DISTRICT COURT	532,607	480,000	489,758	460,000	460,000
622	COUNTY COURT	78,197	77,200	81,128	84,250	84,250
623	JUVENILE COURT	1,146	2,000	1,566	2,000	2,000
624	DISTRICT COURT	212,043	162,500	176,958	193,000	193,000
625	PUBLIC DEFENDER	155,039	162,667	163,367	250,000	250,000
627	JURY COMMISSIONER	-	-	-	-	-
628	JUSTICE SYSTEM MISCELLANEOUS	37,108	35,000	113,400	35,000	35,000
645	EXTENSION SERVICE	162,567	169,123	176,393	174,623	174,623
648	RECORDS & INFORMATION MGMT	94,667	84,440	100,588	84,140	84,140
651	COUNTY SHERIFF	1,322,073	1,293,710	1,347,700	1,360,194	1,360,194
652	COUNTY ATTORNEY	1,773,378	1,326,100	1,095,884	1,274,912	1,274,912
671	CORRECTIONS	2,530,721	1,056,000	1,180,307	1,051,000	1,051,000
673	JUVENILE PROBATION	254	-	75	-	-
674	ADULT PROBATION	-	-	-	-	-
676	COMMUNITY CORRECTIONS	259,265	225,000	338,519	284,840	284,840
678	YOUTH SERVICES CENTER	2,849,513	2,448,316	3,095,236	3,050,806	3,050,806
693	EMERGENCY MANAGEMENT	204,711	211,530	211,531	227,807	227,807
703	COUNTY ENGINEER	-	-	1,660	-	-
751	MENTAL HEALTH BOARD	-	-	-	-	-
801	GENERAL ASSISTANCE	665,923	500,000	685,143	530,000	530,000
805	HEALTH & HUMAN SERVICES	-	-	-	-	-
837	HUMAN SERVICES	115,044	119,265	119,655	127,348	127,348
999	GENERAL RECEIPTS	59,011,633	58,864,245	62,718,464	61,939,061	61,939,061
		<u>79,274,804</u>	<u>76,251,801</u>	<u>80,364,846</u>	<u>79,043,407</u>	<u>79,043,407</u>

COMPUTATION OF TREASURER'S NET FUND BALANCE

FUND	TREASURER'S BALANCE 7/1/2009	RECEIVABLES	VOUCHER'S PAYABLE	PAYROLL ACCUALS	ENCUMBRANCES	NET FUND BALANCE 7/1/2009
11 GENERAL	13,077,011	670,907	857,131	1,300,090	138,108	11,452,589
12 WORKERS COMPENSATION LOSS	1,161,195		4,149	3,834		1,153,212
13 OTHER SELF INSURANCE LOSS	436,723		364			436,359
14 GROUP SELF INSURANCE	4,762,376					4,762,376
18 VISITORS IMPROVEMENT	1,894,523	210,000				2,104,523
19 VISITORS PROMOTION	312,341	210,000				522,341
20 COUNTY RURAL LIBRARY	43,648	2,310				45,958
21 BRIDGE & SPECIAL ROAD	3,928,330		263,808	59,840	1,743,300	1,861,382
22 HIGHWAY	1,583,273	583,113	120,908	72,471	901,170	1,071,837
26 VETERANS AID	8,261					8,261
27 GRANTS	827,936		153,929			674,007
28 KENO	2,162,274					2,162,274
30 ECONOMIC DEVELOPMENT	463,692					463,692
41 DEBT SERVICE	2,303,064	5,590				2,308,654
51 BUILDING	172,027	938			2,268	170,697
52 JAIL SAVINGS	1,941,342					1,941,342
61 LANCASTER MANOR	756,458	1,240,860	25,733	316,835		1,654,750
63 MENTAL HEALTH	494,395	339,936	81,192	230,113	17,506	505,520
64 WEED CONTROL	62,505			7,796		54,709
65 COUNTY/CITY PROPERTY MGMT	160,287	87,072	125,000	75,489		46,870
66 PROPERTY MANAGEMENT	(2,583)			19,359		(21,942)
67 CITY BUILDING MAINTENANCE	356,313		467			355,846
	36,905,391	3,350,726	1,632,681	2,085,827	2,802,352	33,735,257

LANCASTER COUNTY

CHANGES IN EXPENDITURES FROM REQUESTED 2009-10 BUDGETS

GENERAL FUND:	
County Clerk	7,516
County Assessor	27,526
New Gas Pumps and Gasboy System	18,000
Transfer to Power Plant	28,493
Transfer to Weed	8,067
Transfer to Bridge	74,899
Board of Equalization	(350,000)
Planning	(24,951)
Personnel	18,891
Administrative Services	(13,525)
Clerk of the District Court	(5,000)
County Court	(19,114)
Juvenile Court	292,855
Justice Miscellaneous	(299,855)
District Court	4,000
Public Defender	(10,407)
Records & Information Management	(196)
County Sheriff	(94,626)
Community Corrections	(36,889)
Emergency Services	32,296
County Engineer	(275)
Aging	21,161
Health Department	8,239
Human Services	(200)
TOTAL	<u>(313,095)</u>
MENTAL HEALTH FUND:	
Rent - maintenance worker	(45,000)
Nursing Costs	(9,600)
Outpatient Therapist	(64,935)
TOTAL	<u>(119,535)</u>

LANCASTER COUNTY

ANTICIPATED CHANGES IN REVENUES FROM REQUESTED 2009-10 BUDGETS

GENERAL FUND:	
County Sheriff - Anticipated Grants	10,000
County Attorney - Federal Grant	100,000
Emergency Services - City Portion	16,148
Human Services - City Portion	(100)
TOTAL	<u>126,048</u>
MENTAL HEALTH FUND:	
Alcohol - Grant	1,386
Dept of Justice - Grant	20,000
Medicaid	16,500
Medicare B	1,840
HHS MRO	52,041
Region V	38,689
TOTAL	<u>130,456</u>

LANCASTER COUNTY
EMPLOYEES BY AGENCY
LAST 5 YEARS

	Full Time Equivalent by Fiscal Year				
	FY10	FY09	FY08	FY07	FY06
GENERAL FUND					
COUNTY BOARD	5.00	5.00	5.00	5.00	5.00
COUNTY CLERK	10.00	10.00	10.00	10.00	10.00
COUNTY TREASURER	45.00	45.00	45.00	45.00	45.00
ASSESSOR/DEEDS	47.00	47.00	47.00	49.00	47.00
ELECTION COMMISSIONER	10.30	13.22	10.22	12.50	9.50
BUDGET & FISCAL	2.00	2.00	2.00	1.35	1.00
ADMINISTRATIVE SERVICES	4.00	4.00	4.00	4.00	4.00
G.I.S.	5.00	5.00	5.00	5.00	5.00
CLERK OF DIST COURT	25.00	25.00	25.00	25.35	25.35
JUVENILE COURT	8.00	8.00	8.00	6.00	6.00
DISTRICT COURT	12.75	12.75	12.75	12.75	12.80
PUBLIC DEFENDER	33.45	33.50	32.50	32.50	30.00
JURY COMMISSIONER	1.75	1.50	1.50	1.60	1.60
COOPERATIVE EXTENSION	8.15	8.15	8.15	16.65	16.60
RECORDS INFO & MGMT	6.00	6.00	6.00	6.40	6.00
COUNTY SHERIFF	98.70	97.50	95.50	95.50	94.00
COUNTY ATTORNEY	69.50	69.50	68.50	68.50	66.50
CORRECTIONS	155.00	150.80	149.70	140.10	134.30
ADULT PROBATION	-	0.50	0.50	0.50	0.50
COMMUNITY CORRECTIONS	17.50	18.00	13.00	11.00	10.80
YOUTH SERVICES CENTER	62.96	64.00	63.95	64.65	67.00
EMERGENCY SERVICES	2.00	2.00	2.00	2.00	2.00
COUNTY ENGINEER	35.00	35.00	35.00	35.00	35.00
MENTAL HEALTH BD	0.50	0.50	0.50	1.15	1.15
VETERANS SERVICE/GENERAL ASSISTANCE	12.00	11.00	11.00	11.00	10.00
HUMAN SERVICES	3.00	3.00	3.00	4.00	4.00
TOTAL GENERAL FUND	679.56	677.92	664.77	666.50	650.10
OTHER FUNDS					
WORKERS COMPENSATION LOSS	1.50	1.50	2.00	1.50	1.50
BRIDGE & SPECIAL ROAD	33.00	33.00	33.00	33.50	33.50
HIGHWAY	41.00	41.00	41.00	42.00	43.00
LANCASTER MANOR	320.06	305.00	309.25	296.05	291.16
MENTAL HEALTH	118.25	117.25	115.55	114.80	106.55
WEED CONTROL	4.50	4.50	4.67	4.84	4.74
PROPERTY MANAGEMENT	9.50	9.50	9.50	9.50	9.50
TOTAL	1,207.37	1,189.67	1,179.74	1,168.69	1,140.05

LANCASTER COUNTY

FY2009-10 KENO FUND BUDGET

FY2009-10
BUDGET

ROAD IMPROVEMENTS:

East Beltway	1,100,930
Motocross Project at Abbott Sports Complex	37,415
Arbor Road	414,100
Alvo Road (\$150,000 for 3 years)	<u>300,000</u>

1,852,445

PARKS- SALINE WETLAND (to be paid 2010-11)

75,000

PREVENTION GRANTS (5% OF RECEIPTS)

40,000

TOTAL PROJECTS

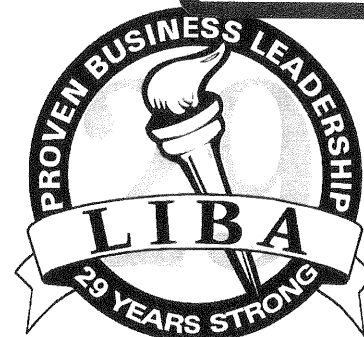
1,967,445

FUNDED WITH:
FUND BALANCE 6-30-09
ESTIMATED RECEIPTS

2,162,274

600,000

2,762,274



To: Lancaster County Board of Commissioners
From: LIBA Board of Directors
Date: 25 August 2009
RE: Lancaster County 2009-2010 Budget

The LIBA Board of Directors (LIBA) would like to thank the Lancaster County Board of Commissioners (Board) for their efforts taken to balance the County Budget. Having undergone severe criticism for making some tough decisions this past year, LIBA appreciates the Board's leadership to stand firm in the midst of controversy.

Currently, the Board is discussing whether it should use \$1.4 million in jail reimbursements to help supplement the Lancaster Manor. The reimbursement would be placed in the general fund and then allocated to the Lancaster Manor should it run at a deficit later in the year. While LIBA prefers this to a property tax increase, we still recognize this as part of a 20-year loan that will eventually have to be repaid. In addition, while there is nothing improper with this practice, LIBA believes this funding should be used for jail purposes—such as for the purchase of jail fixtures, furnishings, and equipment.

In addition, LIBA recognizes that providing a jail to house criminals is mandated by the State, while the services provided at Lancaster Manor are non-mandated. Lancaster County must provide for the safety and security of the community. Funding for the jail and funding the Lancaster Manor should not be confused. Furthermore, the structured sale agreement of Lancaster Manor ensures the facility will continue to house those most needy.¹

LIBA acknowledges that the State generally mandates certain services be provided, such as correctional services, but does not often specify to what level the services are to be provided. In addition, the Board may view some services as preventive, such as health-care or juvenile services. While these may be socially- and cost-beneficial, LIBA encourages the Board to constantly scrutinize the level at which it provides services.

¹ Upon a cursory review of nursing homes in Lancaster County, LIBA found that at a minimum there are 11 facilities in addition to Lancaster Manor that provide a total of 1,125 beds of which 1,015 are Medicaid/Medicare certified. This review included neither the proposed 120-bed facility by Vetter Health Services of Omaha, nor a number of smaller facilities such as Orchard Park or Country House Services. Sources: see <http://www.ignursinghomes.com> and <http://www.ucomparehealthcare.com>.

1.5 to 1 match.⁷ LIBA encourages the Board to proactively address this situation by drafting and introducing legislation through its Lincoln delegation.

LIBA also recommends discontinuing the practice of funding mid-year budget requests. Unless deemed an emergency, County departments should be required to adhere to their budgets as approved rather than seeking additional funding from the contingency fund or KENO fund.

While LIBA appreciates the Board's efforts to avoid a property tax increase, LIBA believes this budget already contains a property tax increase—the Lancaster County Correctional Facility JPA line item residents see on their property taxes is an increase.

Finally, when the Board begins preparing for next year's budget cycle, LIBA asks that it require each department to present a budget at either 91% for tax-funded budgets or 95% for non-tax-funded budgets. LIBA recognizes that often times a department is constrained by personnel increases, however we believe it is possible for departments to present realistic options to the Board, rather than draconian choices. LIBA believes these good faith efforts by departments will assist them and the Board in providing cost-effective and quality services.

In closing, LIBA appreciates the hard work of the Board. LIBA thanks them for their time and service.

⁷ Neb. Rev. Stat. §23-1118(c).

Report on Lancaster Manor FY2010 Budget

Submitted to the Lancaster County Board

on August 25, 2009 by Mark Vasina

This report is a review of the Lancaster Manor budget for FY2010 (ending June 30, 2010) and includes observations and recommendations for the Lancaster County board. The purpose is to contribute to rational public discourse regarding the financial prospects for the county-owned nursing home located in Lincoln.

I reviewed the budget workpapers provided by the county budget director in compliance with a public documents request, and traced the budget process. I reconstructed in some detail the preliminary budget (forwarded to the county board on May 14) and the proposed budget (July 31). The attached chart titled "Lancaster Manor – FY2010 Budget Analysis" includes the preliminary budget, the proposed budget, and an alternative 'budget' which incorporates recommendations contained in this report. Linda Ruchala, Ph.D. (Associate Professor of Accountancy, UNL) provided invaluable assistance. I also discussed my observations with F. Gregory Hayden, Ph.D. (Professor of Economics, UNL) and Hendrik van den Berg, Ph.D. (Professor of Economics, UNL), who concur.

The review reveals a budget process and product that can accurately be described as passive/aggressive. By adopting a passive—and in certain respects careless—budget process with respect to the manor, county officials have created a budget product that fails to address the manor's financial needs. At the same time they are aggressively using the budget conclusions (operating deficits and an unprecedented need for taxpayer support) in a campaign to convince the public to sell the manor and abandon its mission of support for low-income residents in need of long-term care.

Adoption of the recommendations contained in this report would produce a budget with substantially lower expenditures and—with improved management efforts at revenue/cost analysis and strategic planning—higher revenues. Implementation of recommendation #3 alone eliminates the need to tap the general fund (taxes) for assistance.

RECOMMENDATIONS

1. Adjust the budget to **correct errors to budgeted expenditures**. Impact: net increase of \$200,000 to expenditures.
2. Develop responsible revenue projections using **standard cost accounting methods** (revenue and cost analysis for different resident classes, breakeven analysis, etc.) and **strategic budgeting** (management strategy and goals for building the manor resident census). Impact: unknown positive contribution to revenues; estimated at \$1,600,000.
3. Fund \$2,000,000 of budgeted capital outlay expenditures with **capital improvement revenue bonds**. Impact: decrease expenditures by \$2,000,000 (to be partially offset by annual bond servicing expense estimated at \$250,000).

DISCUSSION

Recommendation #1: Adjust the budget to correct errors to budgeted expenditures.

Oversights in the budget process resulted in several errors in the expenditure categories. Two expenditure items, Employee Benefits¹ and Workers Compensation Insurance, were overstated (\$400,000 combined). On the other hand, the budget failed even to include another significant expenditure item, the cost allocation for county Central Services (\$600,000). Correction of these errors increases budgeted expenditures by \$200,000. (See Appendix for more detail.)

Recommendation #2: Develop responsible revenue projections using standard cost accounting methods and strategic budgeting.

Budgeted operating revenues were developed using weak revenue analysis and forecasting. The preliminary budget (May 14) included revenue projections of \$17,198,248 computed differently for different revenue classes: (1) for federal grant programs such as Medicaid and Medicare, management lifted numbers from a report of billed revenues for March 2009 (chosen as representative of the months to follow) and annualized them; (2) for client private pay and insurance, management annualized the first nine months of FY2009 accounting revenue. For the proposed budget (July 31), management failed to update the original forecasts with more recent comprehensive financial data—three more months of actual results, as well as a full fiscal year to look back on. Instead it included additional revenues of \$1,168,582—“revenues for BU#7571 expenditures,” according to a workpaper note, allocated “on percentage basis.”²

Total operating revenues in the proposed budget are nearly \$1,000,000 lower than actual FY2009 results.³ The low budgeted revenues reflect management’s resignation to recent declines in the manor resident census (which coincide with publicity over plans to sell the

¹ When the number of FTE employees was cut from 320 (in the preliminary budget) to 305 for the county’s proposed budget (July 31), Salaries & Wages were reduced, but no cut was recorded in Employee Benefits. This savings is estimated at \$223,214. Nevertheless, budgeted FTE’s will remain the same as last year’s actual FTE’s (305) despite budgeted declines in resident census and revenues. Further personnel cuts, saving several hundred thousand dollars, seem reasonable if the revenue outlook is indeed as dire as budget officials forecast.

² BU#7571 Manor Nursing Station is a business unit account. In accounting, BU’s are used to structure sub-accounts into related groupings representing specific business functions. BU#7571 was created in April 2009 to consolidate the expenditures of several other manor BU’s and was intended to facilitate budgeting.

³ Budgeted operating revenues for FY2010 are \$18,366,830. Actual FY2009 revenues (adjusted to exclude a large Medicare payment delayed from the previous fiscal year) are \$19,254,066.

manor) and, more critically, their failure to implement a functional budget process which relies on cost accounting concepts and strategic planning.

The workpapers provide no evidence of the use of standard cost accounting methods in the budget process. Management should develop reliable per diem average revenues and costs for each resident class, prepare different forecasts based on a range of census assumptions, and determine breakeven points.

Then, instead of passive attempts to anticipate revenues (with their smell of worst-case scenario), management should use active strategic planning to guide revenue budgeting. Revenue forecasts should originate with census targets developed in conjunction with an outreach plan that incorporates legal best practices and sets determined but realistic census goals. (Many of these practices are quite easily implemented at minimal cost. For example, manor staff could regularly fax a list of vacancies to other nursing homes in the county, as do staff at the nursing home owned and operated by Douglas County.)

The alternative budget presented in the attached chart updates federal grant revenues to reflect annualized actual March 2009 results, adding \$1,574,711 to revenues.⁴ Since this March revenue amount was taken from the manor's financial report instead of the report of billed revenues for March (used in the preparation of the manor budget), it reflects receipts for services billed in earlier higher-census months. While no simple estimate of revenues can replace detailed revenue/cost analysis and strategic budgeting, the use of this revenue estimate illustrates the potential impact of successful census goal-setting on future revenues.

Recommendation #3: Fund budgeted expenditures for capital outlay with capital improvement bonds.

The proposed budget includes \$2,000,000 in capital outlay items (building improvements, equipment, new software system) which can and should be funded through capital improvement bonds. By using bonds serviced by manor revenues to fund these capital outlay items (and others excluded early in the budget process) the board can both improve the revenue-generating capacity of the manor and avoid the need to tap the county general fund (taxes). (See Appendix for more details.)

The board should also explore a new alternative to traditional municipal revenue bonds, the Build America Bond program. This is a new federal program authorized by the American Recovery and Reinvestment Act of 2009 which allows state and local governments to issue taxable bonds for capital projects and to receive a direct federal subsidy payment for a portion of their borrowing costs.

⁴ Federal grant revenues for March 2009 are \$1,250,951. The difference between the annualized amount (\$15,011,412) and total federal grant revenues in the proposed budget (\$13,436,701) is \$1,574,711. This amount was assigned to Medicaid revenues for the sake of simplicity.

CONCLUSION

Taken as a whole, the concerns and recommendations presented in this report constitute a plea for the exercise of greater care and transparency by county officials in the development of the Lancaster Manor budget.

Manor senior management must develop responsible projections of revenues using standard cost accounting analytics and strategic budgeting. They must adopt best practices of government-owned nursing homes in Nebraska to grow the manor's resident census and achieve targeted census numbers.

The county board must fund needed capital improvements using either a traditional public finance tool (revenue bonds) or a new one (Build America Bonds). Bond issuance will eliminate the burden of funding \$2,000,000 in capital outlays with FY2010 operating revenues or transfers from the county general fund.

Mark Vasina, the author of this report, is a documentary filmmaker living in Lincoln and serves as the treasurer of Nebraskans for Peace. In 1985, he received his B.S. degree in Business Administration with a major in accounting (and a minor in mathematics) from the University of Nebraska-Lincoln, where he took every accounting course offered, including government fund accounting. Following graduate work in Accounting and Economics, he spent a year as a consultant developing models to predict bankruptcy in the U.S. trucking industry. He then worked 3 years as a federal banking regulator in New York before spending 10 years in risk management for several Wall Street firms. Before leaving Wall Street in 1999 to study filmmaking in New York, he had served as the head of risk management for the U.S. wealth management division of CIBC Oppenheimer.

APPENDIX: DETAILED DISCUSSION OF BUDGETED EXPENDITURES

Budgeted expenditures contain two errors (notes *b* and *e* on the chart attached to this report), one questionable amount (note *c*), and several expenditures (notes *d* and *f*) totaling \$1,936,982 more appropriately expensed over several years via capital improvement revenue bonds.

- Lower the amount budgeted for Employee Benefits by \$223,214 (note *b*). The number of FTE employees was cut from 320 (in the preliminary budget) to 305 for the county's proposed budget (July 31). Salaries & Wages were reduced by \$584,995, but no change was recorded in Employee Benefits. I lowered the budgeted amount for Employee Benefits by an amount proportional to the reduction in Salaries & Wages.
- Lower Other Compensation Costs by \$185,674 (note *c*). Workers Compensation Insurance was originally budgeted at \$994,870 in the preliminary budget (it had been budgeted at \$957,970 for FY2009). The amount was reduced to \$494,870 in the proposed budget, although the actual expenditure was \$309,196 for FY2009 and even less for FY2008. I lowered the budgeted amount by the difference of the amount in the proposed budget (\$494,870) and the actual for FY2009 (\$309,196).
- Increase Miscellaneous Fees & Services by \$600,000 (note *e*). The cost allocation from Lancaster County central services was not included in the preliminary budget. Subsequent revisions failed to identify the oversight, despite the \$600,000 expenditure for FY2009 and the county's cost allocation schedule included in the workpapers.
- Issue capital improvement bonds to cover budgeted Capital Outlay items (\$1,436,982; note *f*) and the comprehensive nursing home software to improve patient tracking and billing (\$500,000 included in Other Contracted Services; note *d*). This removes a total of \$1,936,982 from FY2010 expenditures. However, a bond issue could include other capital improvements which would improve efficiency and enhance revenues. The preliminary budget carried an additional \$1,004,119 request for Equipment in the Capital Outlay category, suggesting a revenue bond issue in the range of \$2,000,000 to \$3,000,000 is desirable. Reductions in budgeted expenditures for FY2010 would be partially offset by bond servicing costs (estimated here at \$250,000; note *g*).

The aggregate impact on expenditures of the four items above is a reduction of \$1,495,870. These budget revisions alone would eliminate the need to tap the county general fund, budgeted at \$1,402,123.

LANCASTER MANOR - FY2010 Budget Analysis

	PRELIMINARY May 14	ADJUST	PROPOSED July 31	ADJUST	ALTERNATIVE
OPERATING REVENUES					
FEDERAL GRANTS					
Medicaid	9,336,588	636,293	9,972,881	1,574,711 (a)	11,547,592
Medicare A	1,339,200	91,266	1,430,466		1,430,466
Medicare B	900,180	61,351	961,531		961,531
VA	743,344	50,717	794,061		794,061
VA Medications	60,000	4,090	64,090		64,090
Hospice	200,000	13,672	213,672		213,672
TOTAL FEDERAL GRANTS	12,579,312		13,436,701		15,011,412
CLIENT SERVICE & INSUR REIMB					
Client Pay Private	4,243,659	289,224	4,532,883		4,532,883
Client Insurance	322,929	21,969	344,898		344,898
TOTAL CLIENT SRV & INSUR REIMB	4,566,588		4,877,781		4,877,781
OTHER SERVICE REVS/REIMB					
Gift Shop Revenue	14,128	0	14,128		14,128
Meal Reimbursements	35,720	0	35,720		35,720
TOTAL OTHER SERVICE REVS/REIMB	49,848		49,848		49,848
FEDERAL GRANT TRANSFERS	2,500	0	2,500		2,500
TOTAL OPERATING REVENUES	17,198,248	1,168,582	18,366,830	1,574,711	19,941,541
EXPENDITURES					
COMPENSATION					
Salaries & Wages	11,845,416	(584,995)	11,260,421		11,260,421
Employee Benefits	4,555,387	0	4,555,387	(223,214) (b)	4,332,173
Other Compensation Costs	1,039,161	(525,000)	514,161	(185,674) (c)	328,487
TOTAL COMPENSATION	17,439,964		16,329,969		15,921,081
SUPPLIES					
Office Supplies	40,550	(150)	40,400		40,400
Operating Supplies	200,000	(7,500)	192,500		192,500
Medical Supplies	689,698	(136,360)	553,338		553,338
Energy Supplies	18,727	0	18,727		18,727
Highway& Bridge Supplies	200	0	200		200
Traffic Control Supplies	100	0	100		100
Repair & Maint Supplies	27,200	0	27,200		27,200
Food Supplies	552,100	0	552,100		552,100
TOTAL SUPPLIES	1,528,575		1,384,565		1,384,565
CHARGES & SERVICES					
Other Contracted Services	1,215,726	(289,540)	926,186	(500,000) (d)	426,186
Trans, Travel & Subsistance	28,288	(100)	28,188		28,188
Communications	14,500	0	14,500		14,500
Postage, Courier & Freight	15,100	0	15,100		15,100
Printing & Advertising	12,800	(1,000)	11,800		11,800
Contracted Health Service	834,096	(211,303)	622,793		622,793
Other Client Services	12,177	(5,157)	7,020		7,020
Misc Fees & Services	123,232	(1,000)	122,232	600,000 (e)	722,232
Insurance & Surety Bonds	39,333	0	39,333		39,333
Utilities	365,500	0	365,500		365,500
Repair & Maintenance Cost	98,360	0	98,360		98,360
Rentals	21,175	0	21,175		21,175
TOTAL CHARGES & SERVICES	2,780,287		2,272,187		2,372,187
CAPITAL OUTLAY					
Buildings	282,000	0	282,000	(282,000) (f)	0
Improvements Other Than Buildings	469,500	0	469,500	(469,500) (f)	0
Equipment	1,689,601	(1,004,119)	685,482	(685,482) (f)	0
P&I on Capital Improvement Bonds (Note g)	0		0	250,000 (g)	250,000
TOTAL CAPITAL OUTLAY	2,441,101		1,436,982		250,000
TOTAL EXPENDITURES	24,189,927	(2,766,224)	21,423,703	(1,495,870)	19,927,833
OPERATING SURPLUS (DEFICIT)	(6,991,679)	3,934,806	(3,056,873)	3,070,581	13,708
FUND BALANCE July 1, 2009			1,654,750		1,654,750
TRANSFER FROM GENERAL FUND			1,402,123		0
NET FUND BALANCE			0		1,668,458

NOTES

- To reflect annualized actual March 2009 federal grant revenues (\$1,250,951 X 12 = \$15,011,412)
- To adjust benefits for reduction in FTE's from 320 to 305
- To reflect actual FY2009 workers compensation insurance expense (\$309,196)
- Nursing home software can be purchased with bond proceeds; see note (f)
- To include Central Services cost allocation not included in manor budget
- Issue capital improvement bonds to cover capital outlay of \$2,000,000 to \$3,000,000
- To include principal & interest on proposed capital improvement bonds; see note (f)